

This is Why Finding Talent Is Getting Tougher in 2016

By Roy Maurer 6/20/2016

More than two-thirds of surveyed organizations hiring full-time staff indicate they are having a difficult time recruiting for job openings, according to a [research report released today](#) by the Society for Human Resource Management (SHRM).

That number is up from what it was in 2013, when half of responding organizations reported having recruiting difficulties for full-time positions.

SHRM surveyed more than 3,300 HR professionals in February 2016 from various industries and company sizes.

Respondents in the health and social assistance (81 percent) and manufacturing (75 percent) sectors reported the highest levels of recruiting difficulty.

These results echo similar findings from the [SHRM Leading Indicators of National Employment \(LINE\) recruiting difficulty index](#), which has shown a rise in the challenge HR professionals report in finding candidates.

Why Finding Talent Is Getting Tougher

Lower unemployment and more job openings, as shown by data from the U.S. Bureau of Labor Statistics over the past year, may indicate that more people are seeking out new job opportunities, but this churn also is making it more difficult for organizations to fill open positions.

“According to HR professionals, it’s getting harder to find people for the jobs they are trying to fill and the top reasons are a low number of applicants, lack of needed work experience among those that do apply, competition from other employers and a lack of technical skills among job applicants,” said Jennifer Schramm, SHRM-SCP, manager of workforce trends at SHRM.

“Another factor that many HR professionals noted was that their local markets were simply not producing enough qualified candidates. This factor alone could be behind many of the reasons HR professionals think it is a more difficult recruiting environment.”

The survey found significant differences between industries. For example, HR professionals in construction, mining, energy, finance, insurance, real estate, health and social assistance, high-tech, and manufacturing were more likely to report that their local labor market was not producing enough work-ready job candidates compared with respondents from other industries. Respondents in the accommodation, food services and retail sectors were more likely than those in other industries to say candidates lacked workplace soft skills such as problem-solving, interpersonal skills, communication, teamwork and leadership.

HR professionals in the education and government fields were more likely than those in other industries to say job candidates did not have the needed credentials or certifications for the roles they were applying for.

Not surprisingly, vacancies for jobs requiring high and in-demand skills are among the most difficult to fill. According to the HR professionals surveyed, the most difficult-to-recruit-for job categories were high-skilled medical professionals, scientists and mathematicians, skilled trades people, engineers and architects, IT/computer specialists, executives, and high-skilled technicians.

Key Skills Lacking Among Job Applicants

More than half (59 percent) of HR professionals reported some level of basic skills deficit among job applicants, and 84 percent reported applied skills shortages in job applicants over the last year.

The most common basic skills deficits employers encountered were:

- Writing in English (30 percent).
- Basic computer skills (30 percent).
- Speaking English (18 percent).
- Reading comprehension (17 percent).
- Mathematics (14 percent).

Notably, all industries reported writing in English and basic computer skills as the top two basic skills shortages. The most commonly reported missing applied skills were:

- Critical thinking and problem-solving (45 percent).
- Professionalism and work ethic (43 percent).
- Leadership (35 percent).
- Written communications (29 percent).
- Teamwork and collaboration (28 percent).

A higher percentage of HR professionals in the accommodation, food services, retail, finance, real estate, and health and social assistance sectors reported applicants lacking professionalism and work ethic when compared with other industries.

“Many HR professionals are reporting a lack of technical skills as a key reason behind the challenges they are having finding candidates for open jobs,” Schramm said. “Some of the reasons that positions require new skills, according to the HR professionals surveyed, are

changing technology, growth of the organization, changing customer and client expectations, and the development of new products and services.”

While technology tends to be a driver of these changes, the most common types of new skills required for the full-time jobs HR professionals said they needed to fill in the last year were actually

workplace or soft skills such as interpersonal skills, teamwork and leadership, Schramm said.

Training and Hiring Internally Most Effective Solution

Skills shortages are putting renewed emphasis on training. Although most organizations (70 percent) are ramping up social media engagement to find passive job candidates, build employer brand and advertise open positions, the approach HR professionals consider most effective is to train existing employees to take on hard-to-fill roles, with the largest organizations leading the way in this area.

Almost half (48 percent) of respondents said training existing employees to take on hard-to-fill positions was an effective recruiting strategy. This was followed by using social media and recruitment agencies (both 47 percent), expanding advertising efforts (44 percent), and improving the compensation packages being offered to job candidates (42 percent).

Although training is seen as valuable, nearly one-third (31 percent) of employers are operating without a training budget.

“HR professionals are very close to the talent market, and they are able to see it change and evolve in a way that few others can,” Schramm said. “So they must make the business case for greater investments in training and development based on this in-depth knowledge. To do this, they will often have to show the financial return on investments in training through improved outcomes in recruiting, retention and job performance.”

Roy Maurer is an online editor/manager for SHRM. [Follow him @SHRMRoy](#)

